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Flue-Cured Tobacco
Supply and Demand

The attached sheet contains a brief analysis of flue-cured tobacco supply and demand. Tables showing the (1) acreage, yield, production, carryover, supply and disappearance and (2) production of manufactured products, during the past 10 years, are attached.

Flue-Cured Tobacco - Acreage and Production -- This chart shows the acreage harvested and the production from 1954 to 1964. Harvested acreage has declined from 1,042,200 acres in 1954 to 625,700 acres in 1964 -- a reduction of 40 percent. Notwithstanding this reduction, production in 1964 is larger than in 1954.

Flue-Cured Tobacco Yields Per Acre -- This chart shows per acre yields during the past 11 years. Yields increased from 1,261 pounds per acre in 1954 to an all-time high of 2,180 pounds per acre in 1964. This is an increase of about 73 percent. As a result of the increased yields, the 1964 crop is larger than the 1954 crop in spite of the fact that allotted acreage was reduced from 1,053,135 acres in 1954 to 638,241 acres in 1964 in an effort to maintain supplies in line with demand. It is generally agreed that some of the varieties, practices and materials used to obtain maximum yields have not maintained the usability and salability of our tobacco.

Flue-Cured Tobacco - Production and Use -- This chart shows the production and disappearance (domestic consumption and exports) from 1952 to 1964. Production exceeded disappearance during each of the years 1952-56. As a result of reductions in farm acreage allotments, production was below disappearance during the years 1957-61. With substantially increased yields, production during the years 1962-64 exceeded disappearance by 385 million pounds. This has resulted in excessive supplies.

Flue-Cured Tobacco - Carryover Stocks -- This chart shows the carryover of old crop tobacco on July 1, beginning of the marketing year, from 1957 through 1964. Inventories of domestic manufacturers, dealers and exporters, and Stabilization are shown separately. Carryover stocks declined from 1957 to 1962 because production in those years was below disappearance. Carryover stocks have increased since 1962 because production exceeded disappearance. A further increase in carryover stocks on July 1, 1965, can be expected since 1964 production is in excess of estimated disappearance during the current marketing year.

Flue-Cured Tobacco - Actual Supply and Reserve Supply Level -- This chart shows that the actual supply has been consistently above the reserve supply level (as computed in accordance with the definition spelled out in legislation) during the past ten years. With production running below disappearance from 1957-61, this spread narrowed. With the build-up in supply during the past three years, the spread has widened and now shows the actual supply some 600 million pounds in excess of the reserve supply level.

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**Flue-Cured Tobacco, Types 11-14: Acreage, Yield, Production,
Carryover, Supply and Disappearance, 1954-64**

Marketing:	Yield :	Pro-	Carry-	Total :	Disappearance		
Year	Harvested:	duction :	over :	Supply :	Total:	Exports:	Domestic
	1,000 Acres	Pounds	M i l l i o n P o u n d s				
1954-55	1,042.2	1,261	1,314.4	1,915.1	3,229.5	1,173.0	744.2
1955-56	990.7	1,497	1,483.0	2,056.6	3,539.6	1,281.3	728.3
1956-57	875.3	1,625	1,422.5	2,258.3	3,680.8	1,169.5	704.4
1957-58	662.7	1,471	975.0	2,511.3	3,486.3	1,178.2	736.7
1958-59	639.4	1,691	1,081.0	2,308.1	3,389.1	1,178.7	736.0
1959-60	693.3	1,559	1,080.7	2,210.4	3,291.1	1,185.0	765.8
1960-61	691.8	1,808	1,250.6	2,106.1	3,356.7	1,266.6	792.0
1961-62	698.5	1,801	1,257.9	2,090.1	3,348.0	1,266.9	781.4
1962-63	729.8	1,930	1,408.4	2,081.1	3,489.5	1,207.9	777.0
1963-64	694.5	1,975	1,371.5	2,281.6	3,653.1	1,274.4	772.6
1964-65	625.7*	2,180*	1,364.2*	2,378.7	3,742.9		

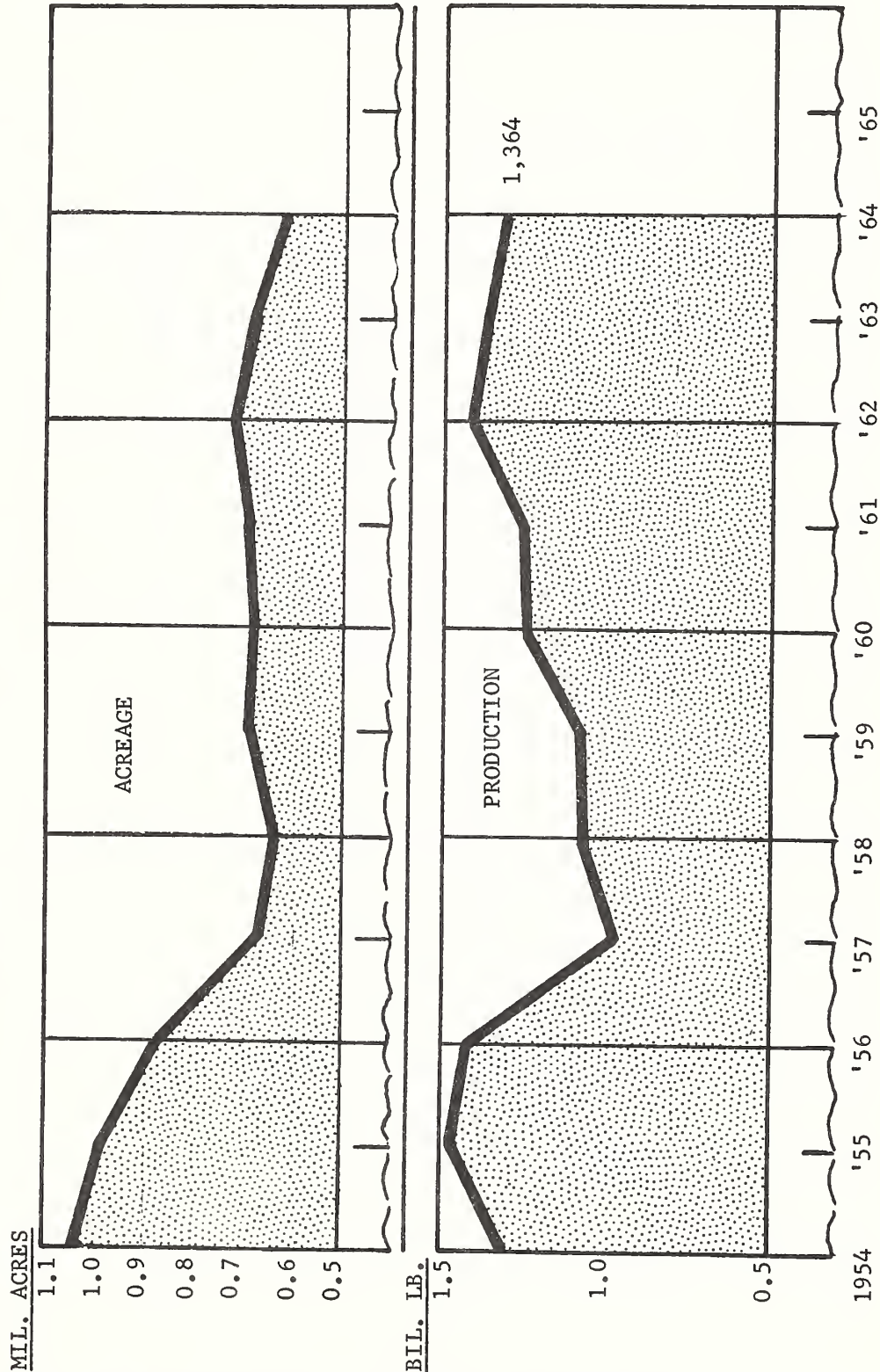
* Estimated

**Tobacco Products Manufactured: Chewing and Smoking Tobacco,
Snuff, Cigars and Cigarettes, 1954-64**

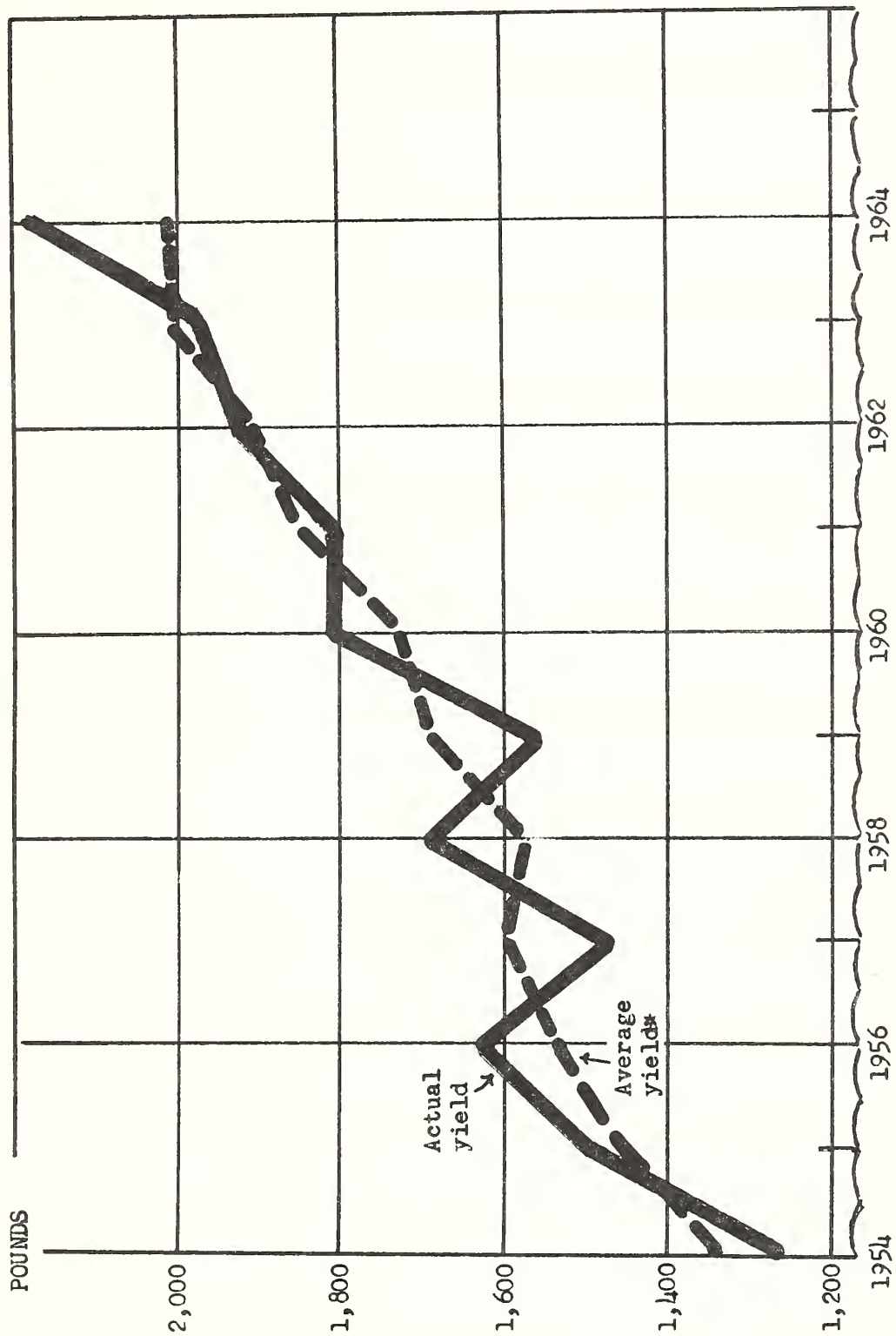
Production of							
Chewing Tobacco				Large :			
Marketing:	Plug, Twist :	Total :	Smoking :	Cigars:			
Year	& Fine-Cut :	Scrap :	Chewing :	Tobacco :	Snuff :	** :	Cigarettes
	M i l l i o n P o u n d s					Millions	
1954-55	44.3	36.5	80.8	85.0	39.0	5,853	407,776
1955-56	41.2	36.1	77.3	74.0	38.4	5,899	416,849
1956-57	39.2	34.3	73.5	68.9	36.5	5,880	433,919
1957-58	37.0	33.3	70.3	75.0	34.8	6,086	449,109
1958-59	36.1	32.5	68.6	74.8	34.6	6,646	479,530
1959-60	34.3	32.7	67.0	73.8	35.3	6,938	506,127
1960-61	32.4	32.6	65.0	74.9	33.8	6,759	518,031
1961-62	32.2	32.5	64.7	71.5	32.9	7,101	529,883
1962-63	31.3	33.4	64.7	69.8	32.7	6,990	543,687
1963-64	32.1	34.2	66.3	80.7	31.9	8,376	535,973

** Includes estimated cigars manufactured in American factories located in Puerto Rico, but excludes output in U. S. bonded manufacturing warehouses that make cigars from tobacco imported from a single source country.

FLUE-CURED TOBACCO-ACREAGE AND PRODUCTION

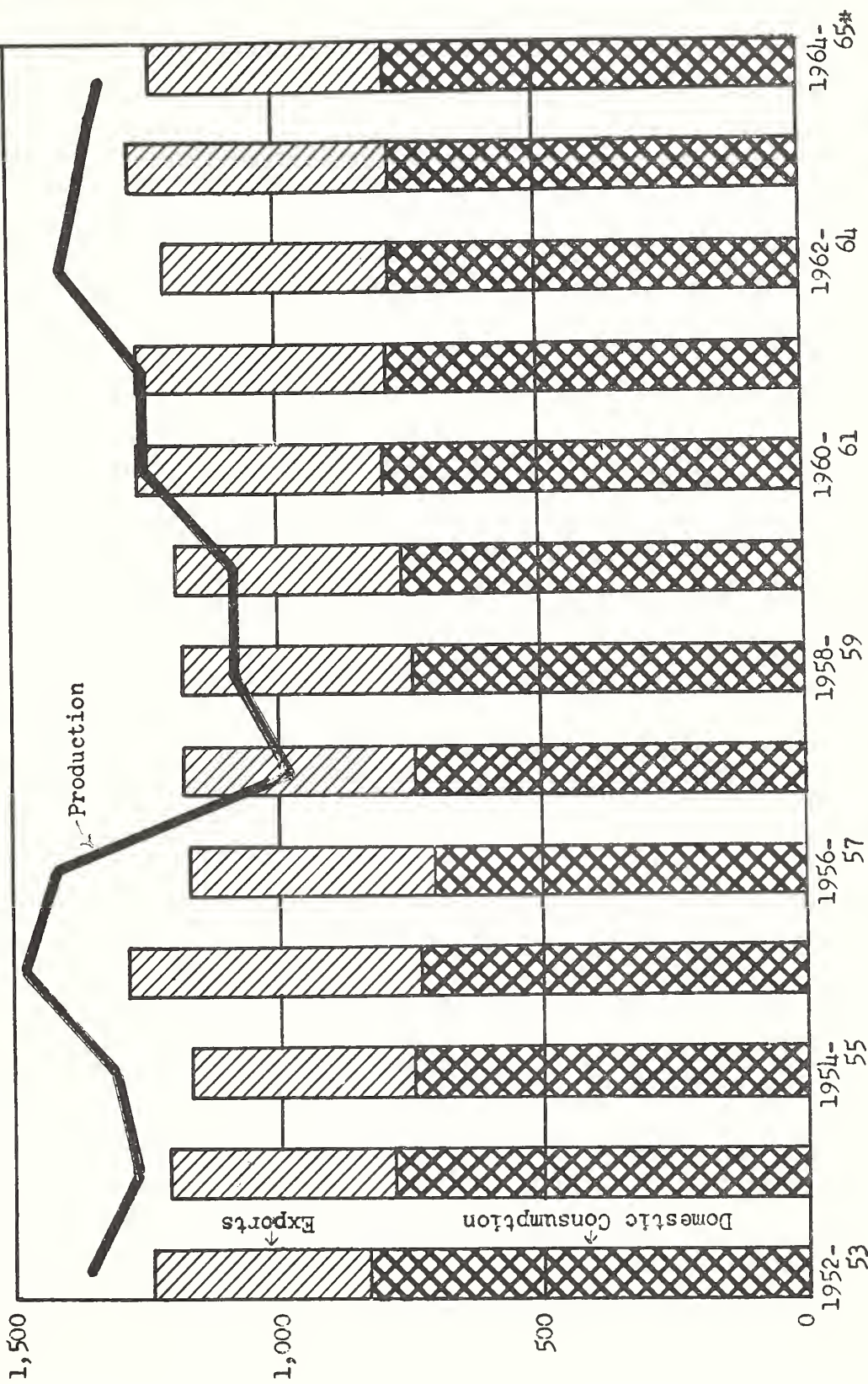


FLUE-CURED TOBACCO-YIELDS PER ACRE



FLUE-CURED TOBACCO-PRODUCTION AND USE

MIL. LB. (Farm-sales wt.)



July-June

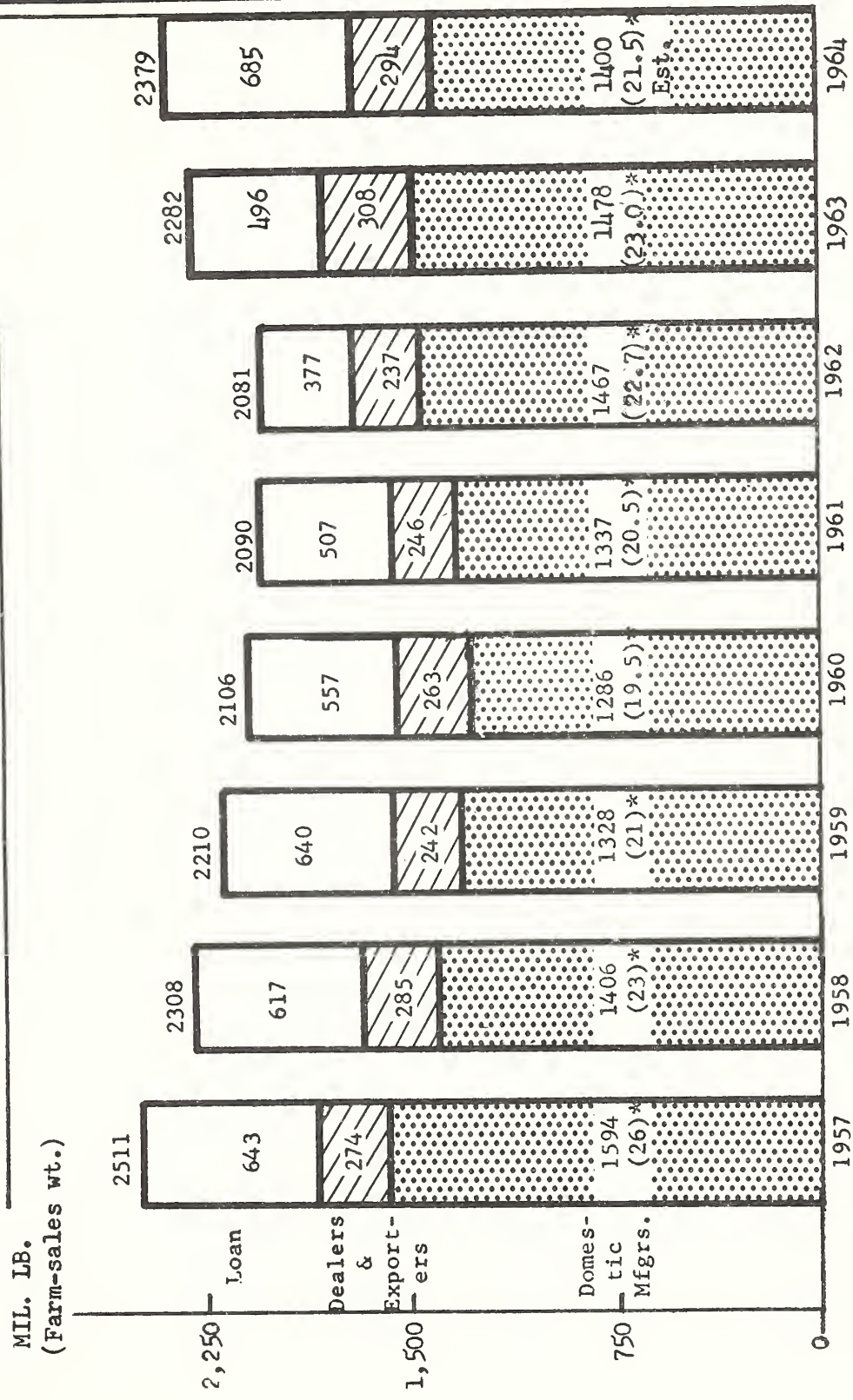
U. S. DEPARTMENT OF AGRICULTURE, ASCS, PPA

*Estimated

October 1964

FLUE-CURED TOBACCO-CARRYOVER STOCKS

JULY 1



* Months' Duration of Domestic Mfrs. Stocks.

